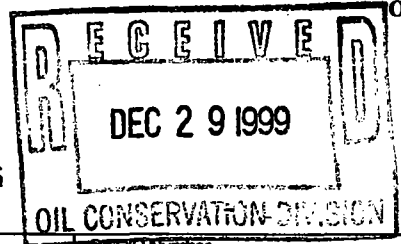


1524

District I - (505) 393-6151
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE



APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address YATES DRILLING COMPANY 105 SOUTH FOURTH STREET, ARTESIA, NM 88210							OGRID Number 025513	
Contact Party DENNIS P. MAUPIN							Phone (505) 748-4344	
Property Name MULE TRAIN 16 STATE COM					Well Number 1		API Number 30-015-30562	
UL G	Section 16	Township 17S	Range 28E	Feet From The 1500	North/South Line NORTH	Feet From The 1650	East/West Line EAST	County EDDY

II. Date/Time Information

Spud Date 09/28/99	Spud Time 11:00 AM	Date Completed 12/03/99	Pool EMPIRE PENN
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- III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.
IV. Attach a list of all working interest owners with their percentage interests.
V. AFFIDAVIT:

State of NEW MEXICO)
County of EDDY) ss.
TOBIN RHODES, being first duly sworn, upon oath states:
1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
2. To the best of my knowledge, this application is complete and correct.
Signature [Signature] Title ENGINEER Date 12/28/99
SUBSCRIBED AND SWORN TO before me this 28TH day of DECEMBER 1999.
[Signature]
Notary Public
My Commission expires: 9/6/03

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>[Signature]</u>	Title <u>P. E. Gier</u>	Date <u>2-1-00</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 2/8/00

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2010730709

DIVISION OF INTEREST FOR:**Mule Train 16 State Com #1****API Number: 30-015-30562**

<u>OWNER NAME</u>	<u>INTEREST</u>
Balk Oil Co., Inc.	.00375000
CHI Energy, Inc.	.05142857
Oxy USA, Inc.	.25000000
Marico Exploration, Inc.	.03333333
Murchison Oil & Gas, Inc.	.05357143
Pocahontas Oil Company, Inc.	.00375000
Sharbro Oil Ltd. Co.	.02440389
Southwestern Energy Production	.12500000
Warren Resources	.01250000
Weed Oil & Gas Company	.10000000
Yates Energy Corporation	.03941830
Yates, Peggy A. Marital Trust	.02440389
Harvey E. Yates Company	.11892725
Yates, Lillie M. Estate SP	.02440389
Yates Drilling Company	.04403890
John A. Yates	.02440389
Peyton Yates	.03333333
Richard Yates	.03333333

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504 -2088

WELL API NO. 30-015-30562
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 2029
7. Lease Name or Unit Agreement Name Mule Train 16 State Com
8. Well No. 1
9. Pool name or Wildcat Red Lake Morrow NE <i>Empire Penn</i>

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A

DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT

(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

OIL

Well ☐

GAS

Well ☒

OTHER

2. Name of Operator

Yates Drilling Company

3. Address of Operator

105 S. 4th Street, Artesia, NM 88210

4. Well Location

Unit Letter G : 1500 Feet From The North Line and 1650 Feet From The East Line

Section 16

Township 17S

Range 28E

NMPM

Eddy

County

11.

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

☐

PULL OR ALTER CASING ☐

OTHER: ☐

☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING

COMMENCE DRILLING OPNS. ☒ PLUG AND ABANDONMENT

CASING TEST AND CEMENT JOB ☒

OTHER: Spud

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spudded a 22" hole with rat hole machine at 11:00 AM, 9-28-99. Set 40' of 16" conductor pipe. NOTE: Notified Mike Stubblefield with NMOC of spud. Resumed drilling 14 3/4" hole with rotary tools at 6:00 PM, 10-3-99.

TD 405'. Ran 9 jts. 11 3/4", 42# H-40 8rd ST&C casing set at 405'. Texas pattern notched guide shoe set at 405'. Insert float set at 358.32'. Cemented with 400 sxs "C" + 2% CaCl2 (yield 1.34, wt 14.8). PD at 11:30 AM, 10-4-99. Bumped plug to 500 psi, float held okay. Circ. 96 sacks. WOC. Drilled out at 12:00 AM, 10-5-99. WOC 12 1/2 hrs. Resumed drilling 11" hole. TD 2010'. Ran 45 jts. 8 5/8" 24# J-55 casing, set at 2010'. Texas pattern notched guide shoe set at 2010'. Float collar set at 1964.68'. Cemented with 650 sxs. Class "C" POZ with 5#/sx. Gilsonite and 1/4#/sx. Celloflake & 2% CaCl2 (yield 1.80, wt 12.90). Tailed in with 200 sxs. Class C + 2% CaCl2 (yield 1.34, wt 14.8). PD 6:00 PM, 10-7-99. Bumped plug to 1300 psi, float held okay. Circulated 189 sxs. WOC 28 1/2 hrs. Tested casing to 1000#. Drilled out at 4:15 AM, 10-9-99. Resumed drilling 7 7/8" hole.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Karen J. Leshman

TITLE Engineering Technician

DATE

10-15-99

TYPE OR PRINT NAME Karen J. Leshman

TELEPHONE NO. 505-748-4500

(This space for State Use)

APPROVED BY

Jim W. [Signature]

TITLE

District Supervisor

DATE

10-22-99

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 6 copies
Federal Lease - 5 copies

DISTRICT I
Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-105
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.
30-015-30562
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 2029

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		7. Lease Name or Unit Agreement Name Mule Train 16 State Com	
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input type="checkbox"/> OTHER _____		8. Well No. 1	
2. Name of Operator Yates Drilling Company		9. Pool name or Wildcat Empire Penn Red Lake Morrow NE	
3. Address of Operator 105 South 4th Street, Artesia, NM 88210			
4. Well Location Unit Letter <u>G</u> : <u>1500</u> Feet From The <u>North</u> Line and <u>1650</u> Feet From The <u>East</u> Line Section <u>16</u> Township <u>17S</u> Range <u>22E</u> NMPM <u>Eddy</u> County			
10. Date Spudded 9-28-99	11. Date T.D. Reached 11-2-99	12. Date Compl. (Ready for Prod.) 12-3-99	13. Elevations (DF & RKB, RT, GR, etc.) 3530' GR
14. Elev. Casinghead -			
15. Total Depth 10,250'	16. Plug Back T.D. 10,190'	17. If Multiple Completion How Many Zones? 1	18. Intervals Drilled By Rotary Tools 40-10260 Cable Tools -
19. Producing Interval(s), of this completion - Top, Bottom, Name 9853'-9877' Morrow			20. Was Directional Survey Made No
21. Type Electric and Other Logs Run CNL/LDC, BHC & Laterolog			22. Was Well Cored No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
16"		40'	22"	Cement to surface	
11 3/4"	42#	405'	14 3/4"	400 sxs - circulate	
8 5/8"	24#	2010'	11"	850 sxs - circulate	
5 1/2"	17# & 15.5#	10250'	7 7/8"	875 sxs	

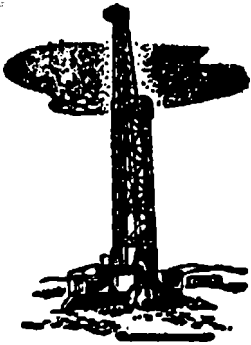
24. LINER RECORD				25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SIZE	DEPTH SET	PACKER SET
				2 7/8"	9700'	9700'

26. Perforation record (interval, size, and number) 9853'-9877' 100 .42" holes	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED
---	--

28. PRODUCTION							
Date First Production 12-3-99		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing				Well Status (Prod. or Shut-in) Prod.	
Date of Test 12-7-99	Hours Tested 24 hrs.	Choke Size 15/64	Prod'n For Test Period	Oil - Bbl. 33	Gas - MCF 2411	Water - Bbl. -	Gas - Oil Ratio 73/1
Flow Tubing Press. 1775	Casing Pressure -	Calculated 24-Hour Rate	Oil - Bbl. 33	Gas - MCF 2411	Water - Bbl. -	Oil Gravity - API - (Corr.) 60.2	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold						Test Witnessed By Greg Boans	

30. List Attachments Deviation Survey, Logs
--

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief			
Signature <u>Karen J. Leishman</u>	Printed Name Karen J. Leishman	Title Eng. Technician	Date 12-14-99



YATES DRILLING COMPANY

105 SOUTH FOURTH STREET - (505) 748-1471

FAX (505) 746-2268

ARTESIA, NEW MEXICO 88210

PEYTON YATES
PRESIDENT

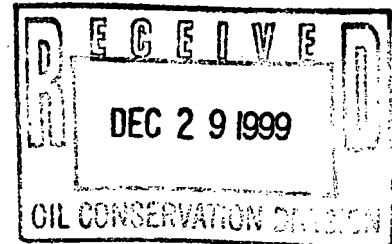
S. P. YATES
VICE PRESIDENT

RANDY G. PATTERSON
SECRETARY

DENNIS G. KINSEY
TREASURER

December 28, 1999

Oil Conservation Division
2040 South Pacheco St.
Santa Fe, NM 87505



Dear Sir/Madam:

Pursuant to the rules established by the State of New Mexico under 19 NMAC 15.A.34 pertaining to "New Well Tax Incentive", Yates Drilling Company does hereby submit an original plus two copies of Form C-142 "Application for New Well Status" for the following well. These forms are being submitted for your approval and designation of this wells as a "New Well" for purposes of the New Well Tax Incentive.

1. Mule Train 16 State Com #1, API Number: 30-015-30562

Should you have any questions or require additional information, please feel free to give me a call at 505-748-4344.

Sincerely,


Dennis P. Maupin
Tax Department Assistant Manager

enclosures